



# ASYCUDA World Project in Jordan: Planning Phase

AMIR II Achievement of Market-Friendly Initiatives and Results

June 2006

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## **JORDAN AMIR II**

Achievement of Market-Friendly Initiatives and Results

Contract No. 278-C-00-02-00210-00

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## **ASYCUDA World Project in Jordan: Planning Phase**

Final Report  
June 2006

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**Data Page**

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## **Abstract**

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Jordan Customs (JC) has decided to upgrade the current Automated System for Customs Data (ASYCUDA) ++ system because of its technical deficiencies to the web-enabled ASYCUDA World application. Initially, the ASYCUDA++ replacement has been driven as a technologically-dominant project without clearly defined business needs, scope, and requirements. The AMIR Program helped JC and the Aqaba Special Economic Zone Customs (ASEZC) to further investigate the upgrade in following project management best practices as prescribed by the Project Management Institute.

## **Abbreviations and Acronyms**

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|         |                                      |
|---------|--------------------------------------|
| ASEZC   | Aqaba Special Economic Zone Customs  |
| ASYCUDA | Automated SYstem for CUsoms DAta     |
| CSI     | Container Security Initiative        |
| IT      | Information Technology               |
| JC      | Jordan Customs                       |
| MoU     | Memorandum of Understanding          |
| PMBOK   | Project Management Body of Knowledge |
| PMI     | Project Management Institute         |
| WCO     | World Customs Organization           |

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## Executive Summary

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Jordan Customs (JC) and Aqaba Special Economic Zone Customs (ASEZC) have decided to replace the Automated System for Customs Data (ASYCUDA) ++, its primary customs declaration system. This decision was based on the system's insufficient technical capability to deal with the increased need for customs to communicate with private sector, other government departments, and other customs organizations, as well as the increased need to provide easier access to customs services online.

Initially, the ASYCUDA++ replacement in Jordan was driven as a technologically-dominant project – an upgrade of the current information technology (IT) system without a clear definition of the underlying business transformation. The business goals and justification of the project were not clearly articulated and no project methodology was defined and followed. JC and ASEZC went through the system evaluation phase independently and it is to the great benefit of Jordan, its border security and flow of trade, that both organizations have arrived at the same selection.

It has been the best practice observed worldwide that the full benefit from any large information system development and implementation can only be obtained when it is integrated into a wider effort across the entire organization, and that this effort is driven by business needs and capacity building. It has also become an industry standard that a proper project management methodology is followed in order to better define and manage IT projects, which are usually very high risk.

One of the characteristics specific to Jordan is that the country has two autonomous customs organizations, JC and ASEZC. During the project initiation and planning phases, all parties agreed broadly that the project should include a phase where commonalities between activities and processes of JC and ASEZC were defined and implemented in the ASYCUDAWorld project at the national level. It is essential that JC and ASEZC define and harmonize their activities in areas such compliance management, risk management, and communication with other customs organizations.

JC and ASEZC also agreed that the ASYCUDAWorld should be used as an opportunity to review existing customs practices across Jordan in the light of the standards and guidelines endorsed by the World Customs Organization (WCO) (e.g. Framework of Standards to Secure and Facilitate Global Trade, Revised Kyoto Convention, Container Security Initiative [CSI]) and other international developments related to supply chain management and security. The initial cost estimate from JC and ASZEC to implement ASYCUDAWorld and running costs for the first year is US \$6 million and then approximately US\$ 900,000 to cover annual running costs.



## **Recommendations**

### **Recommendation 1**

It is highly recommended that both JC and ASEZC identify commonalities and select teams to design and propose solutions to harmonize JC and ASEZC policies and processes taking into consideration international standards such as WCO Framework of Standards, Revised Kyoto Convention and CSI. It is critical that the sharing and exchange of the security and trade-related information between JC and ASEZC are not impeded by potential difficulties that could arise from differences in policies, processes, and incompatible IT systems.

### **Recommendation 2**

It is recommended that the JC and ASEZC project teams continue in the project initiation and definition activities that they have already initiated and lock the ASYCUDAWorld project management and delivery into the project management methodology as defined by the Project Management Institute (PMI) standards. It is also recommended that the ISO/IEC 12207 standard for “Information technology—Software life cycle processes” defining processes, activities, and tasks that are to be applied during the supply, development, operation and maintenance of software products is closely followed during the ASYCUDAWorld customization, implementation, and maintenance.

### **Recommendation 3**

It is recommended that the JC and ASEZC project teams define and implement common data standards for communication between their two organizations as well as communication with other departments in the Government of Jordan, customs organizations, and organizations external to Jordan, as required under the WCO Framework of Standards.

### **Recommendation 4**

It is recommended that JC and ASEZC IT Directorates define and implement configuration and change management frameworks for the ASYCUDAWorld project as well as those to be applied to its post implementation period to ensure future compatibility of JC and ASEZC ASYCUDAWorld implementations.

## **1. Background**

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JC and ASEZA have been using the ASYCUDA++ customs clearance application since 1999. Both JC and ASEZC have developed many other IT applications supporting their business activities and thus increased their dependency on IT to conduct the business of customs. The inherent inability of ASYCUDA++ to communicate with other IT systems is only exacerbated by the ever greater reliance on IT to conduct the business of customs, the increased need to provide services online and collaborate and exchange data with the private sector, other government departments and customs organizations, and with the pressure to integrate the customs IT applications that exist between the two organizations in Jordan.

Moreover, the current ASYCUDA++ system has fundamental technical deficiencies and is unable to support the implementation of WCO guidelines and standards related to supply chain security and border management. Those guidelines and standards require extensive collaboration and data exchange between various organizations. Both JC and ASEZC reviewed different options of replacing ASYCUDA++ and at the end of the evaluation period recommended ASYCUDAWorld as the most viable and prudent replacement of ASYCUDA++.

## **2. Consultancy**

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This report is prepared in accordance with the scope of work agreed under activity number 560 Customs Reform and Modernization – “Scoping Exercise for New Customs Software/Acting CRM Manager”. The objective of this consultancy is to conduct a scoping exercise of the environment in JC and the inter-related border mandate agencies to identify the steps for a further justification for change in Jordan of the primary customs and border agency processing software.

As such, the purpose of this document is to describe the chronology of events in an initiative by JC and ASEZC seeking to replace their current ASYCUDA++ clearance IT systems. The report also documents the contribution of AMIR Program consultants in helping implement best practices for the development of information systems and project management methodology aiming to make the ASYCUDAWorld project in Jordan justified and successful.

All documents included in this report are the results of close collaboration between AMIR and JC’s IT Steering Committee consisting of directors of Planning, IT, Communications and Computer Affairs Directorates, and were reviewed and commented upon on by ASEZC. The consultant would like to express his gratitude for contribution to all people involved.

### **3. Reform and Modernization**

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Initially it was apparent that the ASYCUDA++ replacement in Jordan has been driven as a technologically-dominant project – an upgrade of the current IT system without a clear definition of the underlying business transformation. In recent years, there has been growing evidence in both the public and private sectors of many countries that this approach is limited and leads to problems, thereby emphasizing the need to integrate information technology into a wider effort that is driven by business needs and the desire to improve capacity across the entire organization.

ASYCUDAWorld provides an opportunity to assess how the latest developments in international trade practices and WCO-endorsed standards and guidelines and recommendations from the Jordan Border Management Task Force will impact both JC and ASEZC and their business models, *viz.*, the way they conduct their business activities and how they interact with each other, their stakeholders, the business community, and other government and customs agencies. The obvious activities requiring a coordinated approach from JC and ASEZC and that need to be reflected in business processes supported by the ASYCUDAWorld are risk management, profiling and targeting, compliance management, client accreditation and client relationship management, licensing and permit maintenance, to name a few. AMIR Program consultants have been alerting JC and ASEZC to all of these issues in order to better define ASYCUDAWorld project goals and objectives and make the whole investment justified.

JC and ASEZC have recognized that, because of its complexities, the ASYCUDA World project is a high-risk project and the best practices of professional project management must be followed to minimize risk. The ASYCUDAWorld project will follow the practices and processes as defined in the PMI “A Guide to the Project Management Body of Knowledge” (PMBOK) Third Edition (ANSI/PMI 99-1-2004).

#### **4. ASYCUDAWorld – UNCTAD’s Proposal**

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Both JCD and ASEZ customs have selected ASYCUDAWorld as a replacement of their current ASYCUDA++ clearance systems. ASYCUDAWorld is essentially the latest version of the ASYCUDA++ 1.18 rewritten in Java. ASYCUDAWorld has been web-enabled and provides a few additional new tools and features such as enhanced system security, electronic signature, handling of multimedia files, and xml messages.

The United Nations Conference on Trade and Development (UNCTAD) –the original developer and sponsor of ASYCUDA—recently changed its approach to managing and sharing this software. Now, it provides customs administrations with the ASYCUDAWorld source code, thereby removing any previous obstacles for customs administrations to enhance the application or develop interfaces with other applications and organizations.

At the request of JC and ASEZC, UNCTAD provided a proposed project approach and cost structure document to upgrade their ASYCUDA systems. JC and ASEZC initially requested that in the proposal both ASYCUDAWorld implementations be treated as two separate projects with a plan to build interfaces between the ASEZC and JC ASYCUDAWorld applications in the final stages of the project. The whole project was estimated to last 18 months and cost US\$ 1.8 million for the UNCTAD input only. UNCTAD did not provide cost estimates for the software, hardware, and communication infrastructure; moreover, the technical information related to ASYCUDAWorld has been very brief and limited.

Members of the JC IT Steering Committee, the ASEZ Customs’ IT Director, and AMIR Program consultants reviewed the proposal and agreed that:

- An initial phase is needed in the project where the commonalities between the JC and the ASEZC are explored. Such commonalities could include a joint approach to risk and compliance management;
- JC and ASEZC should sign a Memorandum of Understanding (MoU) defining a mechanism to coordinate project activities during and after the ASYCUDAWorld implementation as well as define responsibilities and commitments;
- There will be a single ASYCUDAWorld project with JC and ASEZC components – essentially the implementation of two ASYCUDAWorld systems;
- An ASYCUDAWorld national project manager will be defined who will report to the project steering committee chaired by the Director General of JC DG and the Customs and Tax Revenue Commissioner of ASEZC, and who will coordinate the delivery of JC and ASEZC ASYCUDAWorld components;
- Common data standards will be defined and adhered to by both organizations; and
- A framework should be established during and after the ASYCUDAWorld implementation that defined the configuration and change management processes to ensure that system interoperability is maintained.

## **5. Memorandum of Understanding**

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AMIR Program consultants considered that a single vision for a customs administration for the whole of Jordan as a very important issue for JC and ASEZC to agree upon. They strongly believed that two separate visions would surely cause many operational problems for both ASEZC and JC.

One of the complexities added to the ASYCUDAWorld project is the existence of two legally autonomous customs organizations in Jordan (JC and ASEZC), and their decision to implement ASYCUDAWorld as a Jordan project with two subcomponents. JC and ASEZC also recognized that they need to collaborate closely during the ASYCUDAWorld project. Accordingly, they signed a MoU to upgrade the current ASYCUDA++ 1.15 customs core system to the Internet-based ASYCUDAWorld system. In the MoU they also expressed their intention to use the ASYCUDAWorld project to move towards the consolidation of the activities of the two customs administrations and maximize Jordan's benefits in terms of both trade facilitation and border protection. The MOU established a mechanism for cooperation between JC and ASEZC during the ASYCUDAWorld project duration as well as for its post-implementation period.

## **6. Focusing Workshop**

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An ASYCUDAWorld focusing workshop among JC, ASEZC, USAID and its AMIR Program was held on April 2, 2006 with the objective of bringing JC and ASEZC executive management into one room to explore and define commonalities between the two customs organizations that should be addressed at the national level. The workshop also identified common areas in the strategic plans of JC and ASEZC that could be summarized into four major themes as follows:

- Protecting Jordan economy
- Protecting revenues
- Protecting Jordan society and
- Developing accountable administration

During the focusing workshop representatives from JC and ASEZC acknowledged that there many business, policy and process-related issues exist in both the business and IT domains of the two organizations that need to be thoroughly analyzed, defined, and implemented in the ASYCUDAWorld project. This recognition suggests that once such areas have been identified (for example risk management and client accreditation), the counterparts from JC and ASEZC should be (i) tasked to address the specific topic, (ii) design and propose a solution defining how the new system could be managed at the Jordan national level, (iii) how new policies would be defined and amended, (iv) how business processes would be adjusted, and (v) how such a solution could be reflected in the ASYCUDAWorld system. Obviously, a very close collaboration between JC and ASEZC is required and a communication platform needs to be defined in order to maintain the compatibility of business processes and IT systems in the future.

Workshop attendees further discussed and defined the ASYCUDAWorld project goals. It needs to be said that the workshop was the first venue where representatives from JC and ASEZC met to discuss the business goals and scope of the project.

Following were proposed business and technical goals:

### **Project Business Goals**

- Make current customs processes Kyoto-compliant;
- Identify and harmonize common activities between ASEZC and JC;
- Improve coordination and data exchange with other government departments;
- Provide Internet facilities for reporting and data exchange;

### **Project Technical Goals**

- Use latest technology for customs processing;
- Upgrade ASYCUDA++ to Internet-based ASYCUDAWorld;
- Define and implement common data standards for ASEZC, JC, and other government agencies;
- Implement configuration and change management frameworks for ASYCUDAWorld post- implementation period; and

### **ASYCUDA World Project in Jordan: Planning Phase**

- Adopt a platform for enhancement and integration of existing systems;

The participants also agreed that there was an urgent need to assign the role and responsibilities of the ASYCUDAWorld project manager, who would be the person managing the overall project and coordinating, with the help of component project managers, both JC and ASEZC project components. The project manager would report to the project steering committee

It seems that JC and ASEZC representatives appreciated the ideas of collaboration, implementation of identified frameworks, and processes at the national level. Based on conversations with JC and ASEZC officers, it seems that the initial push to have to separate projects without addressing important business processes at the Jordan national level was driven by unfamiliarity with the international development and WCO standards and guidelines.



## **7. Project Charter**

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As the next step AMIR program consultants worked with JC and ASEZC to develop a project charter. According to the Project Management Body of Knowledge (PMBOK) definition, a project charter “formally authorizes the project and also gives the project manager authority to apply resources to project tasks and activities”. It also defines project goals, an initial description of project scope, stakeholders, project organization and authorities, and a high-level budget. A project manager should be identified and assigned as early in the project as is feasible and ideally prior to the start of planning period.

Following were identified ASYCUDAWorld project objectives:

### **Business**

- Provide Internet facilities for reporting, interaction and data exchange between customs and its clients and other stakeholders;
- Review the current customs business processes to simplify and standardize clients reporting and interactions with ASEZC and JC;
- Identify and harmonize common activities between ASEZC and JC and implement agreed solutions at the ASYCUDAWorld national level; and
- Improve coordination and data exchange with other government departments;

### **Technical**

- Use latest technological tools for automating customs processing and upgrade the current ASYCUDA++ clearance application to the Internet-based ASYCUDAWorld system;
- Define and implement common data standards to be followed by both ASEZC and JC;
- Define and implement common data and data exchange standards for communication with other Jordan government departments and organizations external to Jordan, as required under the WCO Framework of Standards; and
- Define and implement configuration and change management frameworks for the ASYCUDAWorld project as well as for its post implementation period;

The project scope was defined within the following dimensions:

- ASEZC and JC coordination framework;
- Business scope – process, organization and location;
- Technical – application, data and infrastructure;

## 8. Business Case

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The business case was developed in a close collaboration with JC in order to approach potential donors and justify the ASYCUDAWorld investment. At this point, the JC and ASEZC team better understood the business reality of the ASYCUDAWorld system and could better articulate issues that need to be addressed and resolved to make ASYCUDAWorld project successful.

The business case attempted to:

- Define the business needs that have led JC and ASEZC to explore upgrading their core application ASYCUDA++;
- Identify the project goals, costs, benefits, and risks;
- Analyse identified options; and
- Outline funding needs for the work outlined in the business case.

The business case outlined the following needs as main factors that led JC and ASEZC to consider replacement of ASYCUDA++:

- **Review of customs business processes:** The Revised Kyoto Convention, an international convention on simplification and harmonization of customs procedures and the blueprint for modern and efficient customs procedures in the 21st century, entered into force on 3 February 2006. Since Jordan intends to ratify the convention, there is a need to ensure that all customs processes and procedures as well as the supporting legislation are compliant with the convention.
- **Implementation of supply chain security standards:** The WCO Framework of Standards to Secure and Facilitate Global Trade, a framework providing supply chain security standards and best practices, has been adopted by the 166 members of World Customs Organization on 23 June 2005; 129 members have already (Jordan among them) expressed their intentions to implement the standards;
- **Harmonization of JC and ASEZC activities:**
  - Common approach by both ASEZC and JC to risk management and compliance management;
  - Simplification and standardization of customs business processes; and
  - Improvement of information exchange between ASEZC and JC.
- **Online service delivery:** Commitment of GOJ to online service delivery:
  - Easier access to customs services;
  - Facilities to lodge declaration and reports via Internet; and
  - Facilities to conduct financial transactions via Internet.

- **Improvement of collaboration and data exchange among agencies with the border security mandate;**
- **Rapid expansion in internet usage by the international trade:**
  - Acquisition of a web-based customs clearance system built using a proven technology; and
  - Proven technology to integrate and modernize current customs IT applications to provide improved service.
- **JC and ASEZC data and system standardization:**
  - Standardization of IT applications at ASEZC and JC;
  - Standardization of data formats at ASEZC and JC; and
  - Configuration and change management coordination.

The initial cost estimate from JC and ASZEC to implement ASYCUDAWorld and running costs for the first year is US \$6 million and then approximately US\$ 900,000 to cover annual running costs.

## **Annex 1: Memorandum of Understanding between JC and ASEZC**

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### **PARTIES**

The parties to this Memorandum of Understanding (MoU) are Jordan Customs ("JC") and Aqaba Special Economic Zone Customs ("ASEZC").

### **PURPOSE**

The purpose of this MoU is to implement His Majesty's order to move towards consolidation of activities of JC and ASEZC, and to maximize Jordan benefits, in both trade facilitation and border protection, from upgrading the current ASYCUDA++ 1.15 customs core system to the internet based ASYCUDA World in Jordan. This MOU establishes a mechanism for cooperation between JC and ASEZC during the ASYCUDA World project duration as well as for the ASYCUDA World project' post implementation period.

### **BOTH PARTIES AGREE**

- There are legally two autonomous customs organizations in Jordan, Jordan Customs Department and Aqaba Special Economic Zone Customs;
- That Jordan security will be enhanced by their collaborative approach to the risk and compliance management;
- There is a single ASYCUDA World project with two subcomponents located at JC and ASEZC;
- That upgrade of the core ASYCUDA++ customs systems in both ASEZC and JC is a great opportunity to identify and attend to commonalities between ASEZC and JC;
- There is a need to unify and simplify all trade facilitation and border protection activities and to use the ASACUDA World project to fulfill this need;
- There is a need to define a common and unified approach to risk management and compliance management for both customs organizations and to use the ASYCUDA World project to fulfill this need;
- There is a need to coordinate the approach of both parties to legislation and policy development and to use the ASACUDA World project to fulfill this need;
- There is a need to adhere to international standards for software and system lifecycle processes and ensure systems interoperability of ASYCUDA World implementations at JC and ASEZC by defining and implementing formal communication framework for risk, configuration and change management and standards for data management;
- To meet the international commitments of Jordan, the exchange of data with other national customs organizations as envisioned in both the revised Kyoto Convention and the "Framework of Standards to Secure and facilitate Global Trade", both maintained by the World Customs Organization, must be through a single electronic interface;
- Recognizing that because of the complexities of the project, the ASYCUDA World project is a high-risk project, the best practices of professional project

management must be followed to minimize risk. The ASYCUDA World project will follow the practices and processes as defined in the Project Management Institute “A guide to the Project Management Body of Knowledge” Third Edition (ANSI/PMI 99-1-2004).

- To select and delegate authorities to an external professional project manager selected by both parties to manage the ASYCUDA World project;
- That in the ASYCUDA World post deployment period they need to exercise due diligence in maintaining the integrity of both data and information system practices so that sharing of data and coordinating of maintenance and enhancements of ASYCUDA World applications between the parties will be promoted to the maximum extent possible;

## **RESPONSIBILITIES**

### **Both Parties agree to**

- Establish governance structures to continuously define business direction, scope, and priorities towards consolidating JC and ASEZC activities;
- Commit resources, both personnel and physical, for the purpose of establishing a joint team to identify, document and address commonalities between JC and ASEZC in the areas of trade facilitation and border security and implement those in the ASYCUDA World upgrade project;
- Commit resources and establish a team to continuously maintain interoperability of ASYCUDA World applications by common approach to system configuration and change management;
- Commit resources to timely resolve any issues raised by the ASYCUDA World project manager as well as policy issues escalated to the ASYCUDA World Steering Committee;

## **FUNDING**

### **Both Parties agree to**

- Define and agree required by the ASYCUDA World project for both project common and location specific parts and activities;

**COSTS (Note -\_The terms and agreement for cost sharing must be specified and will be the responsibility of the two parties to finalize.**

### **Both Parties agree to**

- To bear the costs for locations specific ASYCUDA World project activities;
- Bear equitably apportioned costs incurred by the common project parts and activities such as project manager cost, project facilities, training facilities;
- Define a cost share structures to cover issues such as ownership protection costs, reserve for unknown costs, cost for third party licenses, etc;
- Define and provide specific level of commitment for personnel from each organization;

**DATE EFFECTIVE**

The terms of this MoU will become effective upon signature of the parties. They will remain in effect until either modified or terminated as described in this MoU.

**MODIFICATION**

This MoU may be modified upon the mutual written consent of the parties.

**TERMINATION**

Each party to this MoU may revoke this MoU upon 30 days written notice.

**LANGUAGE**

If this MoU is signed in any language other than Arabic, then any misinterpretation of any of its terms shall be resolved by reference to the Arabic version.

**SEVERABILITY**

Nothing in this MoU is intended to conflict with the current laws, regulations, or directives of the Hashemite Kingdom of Jordan. If a term of this MoU is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this MoU shall remain in full force and effect.

**CONTACT INFORMATION**

**Contact for Jordan Customs Department:**

Director General  
Customs Department  
P.O. Box 90  
Amman, Jordan  
Tel: +962 6 4625338  
Fax: +962 6 4647791

**Contact for Aqaba Special Economic Zone Customs:**

Commissioner for Revenues & Customs  
ASEZA  
P.O. Box 2565  
Aqaba 77110 Jordan  
Tel: +962 3 203 5757/8  
Fax: +962 3 203 0912

The undersigned approve the terms and conditions of this MoU.

Signature \_\_\_\_\_ Date: \_\_\_\_\_

H.E. Alaa A. Al-Batayneh, Director General  
Jordan Customs Department

Signature \_\_\_\_\_ Date: \_\_\_\_\_

H.E. Shadi Ramzi Majali  
Commissioner for Revenues & Customs, Aqaba Special Economic Zone Authority

## **Annex 2: Focusing Workshop Agenda**

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### **Jordan ASYCUDAWorld Project Focusing Workshop**

**Sheraton Hotel, Amman, Jordan**

**Sunday, 2 April 2006**

#### **Objectives**

1. Sign ASYCUDAWorld project MoU between ASEZC and JC
2. Review ASYCUDAWorld draft project charter
  - Review and confirm customs business strategy
  - Confirm scope and the objectives of the ASYCUDAWorld project
  - Identify management priorities and concerns
  - Identify common areas that require coordination at national level and need to be addressed in the Jordan ASYCUDAWorld project;
  - Develop an action plan addressing the identified common areas and any other raised issues.

#### **Agenda**

|                      |  |
|----------------------|--|
| 9:00 – 9:20          | Welcome address, review the workshop objectives, and agenda  |
| 9:20 – 10:30         | Review customs business and operations models, and business principles                                       |
| 10:30 – 10:45        | Coffee break   |
| 10:45 – 11:15        | Confirm the scope and objectives of ASYCUDAWorld project   |
| 11:15 – 11:45        | Confirm the strategy and the governance structure for delivery of the ASYCUDAWorld project                   |
| 11:45 – 12:30        | Identify common areas between JC and ASEZC that need to be addressed in the Jordan ASYCUDAWorld project      |
| <b>12:30 – 13:00</b> | <b>Sign the ASYCUDAWorld project MoU between ASEZC and JC</b>  |
| <b>13:00 – 14:00</b> | <b>Lunch break</b>   |
| 14:00 – 15:00        | Continued - identify common areas between JC and ASEZC that need to be addressed in the ASYCUDAWorld project |
| 15:00 – 15:30        | Develop action plan  |
| 15:30 – 16:00        | Close workshop   |

**Signing ceremony participants and guests**

| <b>Name</b>         | <b>Position</b>                                   | <b>Organization</b>  |
|---------------------|---|----------------------|
| Alaa A. Al-Batayneh | Director General                                  | JC                   |
| Shadi Ramzi Majali  | Commissioner for Revenues & Customs               | ASEZC                |
| Steven Wade         | Director, AMIR Program                            | AMIR                 |
| Mike Harvey         | Deputy Mission Director                           | USAID                |
| Diana Putman        | Director, Office of Economic Opportunities        | USAID                |
| Jamal al-Jabiri     | Deputy Director, Office of Economic Opportunities | USAID                |
|                     |   | EU                   |
|                     |   | Ministry of Planning |

**Required workshop participants**

|                        |  |              |
|------------------------|--|--------------|
| Khalid Al-Zoubi        | Head of the ASYCUDAWorld Steering Committee          | JC           |
| Bashar Salman          | ASEZC Commissioner Assistant                         | ASEZC        |
| Samer B. Al-Hamarneh   | Director, MIS  | ASEZC        |
| Somaya Al-Wahoush      | Director, IT Directorate                             | JC           |
| Tayseer Salameh Younis | Acting Director, Planning                            |              |
| Samer Hijazeen         | Head, P&O Section                                    | ASEZC        |
| Abdessalam Obiedat     | Head, Risk Management Section                        | ASEZC        |
| Jawad AlQasem          | Director, Risk Management                            | JC           |
| Zakaryia Hamouri       | Deputy Director, IT Directorate                      | JC           |
| Arif A. Alfitiani      | Director, Communications Directorate                 | JC           |
| Husein Qasem           | Head, Computer Section                               | ASEZC        |
| Marc Shiman            | AZEM Project   | AZEM Program |
| Walter Hekala          | Manager, Customs Reform & Modernization Subcomponent | AMIR Program |
| Jamal Olaimat          | Customs Expert                                       | AMIR Program |
| Lubomir Dvorsky        | Consultant   | AMIR Program |



**Annex 3: Focusing Workshop Slides**



# **Customs Business Reform**

## **Jordan ASYCUDAWorld Project**

Focusing Workshop  
April 2, 2006



## **Customs Business - Major Recent Developments**

- Revised Kyoto Convention entered into force on 3 February 2006
- 129 countries expressed their intention to implement WCO Framework of Standards
- WCO published Integrated Supply Chain Management (ISCM) Guidelines in 2004
- Revised Arusha Declaration adopted in 2003
- WCO council adopted Johannesburg Convention





## Kyoto Core Principles

- Transparency and predictability
- Standardization and simplification of customs processes
- Use of risk management techniques
- Customs and business in mutually beneficial alliance
- Maximum use of information technology



## WCO Framework of Standards

- Supply chain security standards and best practices
- Cooperative arrangements and partnerships:
  - Customs and other government agencies
  - Customs and other customs administrations
  - Customs and the Business community
- Advanced reporting and identification of high risk cargo prior to arrival
- Consistent risk management approach
- Outbound inspection
- Informed voluntary compliance





## JC and ASEZC Common Goals: 1

- Protecting Jordan economy
  - JC "Contributing to the commercial and economic growth of the Kingdom and promoting investments"
  - ASEZC "Providing effective border management with minimal disruption to legitimate trade and movement of people"
- Protecting revenues
  - JC "Supplying State Treasury with revenues"
  - ASEZC "Protecting revenue"



## JC and ASEZC Common Goals: 2

- Protecting Jordan Society
  - JC "Controlling the movement of passengers and goods across the borders of the Kingdom"
  - JC "Combating smuggling and other illegal trade activities"
  - JC "Protecting the environment and the local community"
  - ASEZC "Intercepting prohibited and restricted imports and exports and identifying illegal movement of people"
- Developing accountable administration
  - JC "Achieving competent and accountable officers"
  - ASEZC "Delivering responsible administration"







## Project Business Goals

- Make current customs processes Kyoto-compliant
- Identify and harmonize common activities between ASEZ Customs and Jordan Customs
- Improve coordination and data exchange with other government departments
- Provide Internet facilities for reporting and data exchange



## Project Technical Goals

- Use latest technology for customs processing
- Upgrade ASYCUDA++ to Internet-based ASYCUDAWorld
- Define and implement common data standards for ASEZC, JC, and other government agencies
- Implement configuration and change management frameworks for ASYCUDAWorld post-implementation period
- Adopt a platform for enhancement and integration of existing systems





## Assumptions

- Required funds secured
- ASEZC and JC will work towards harmonization of their activities
- All legislative, policy and process issues raised during the project will be resolved in a timely manner
- All identified personnel at the required quality level will be available throughout the project duration
- All stakeholders communicating with customs will be ready to use ASYCUDAWorld
- UNCTAD's expertise and resources will ensure delivery of the ASYCUDAWorld project on time, budget and quality



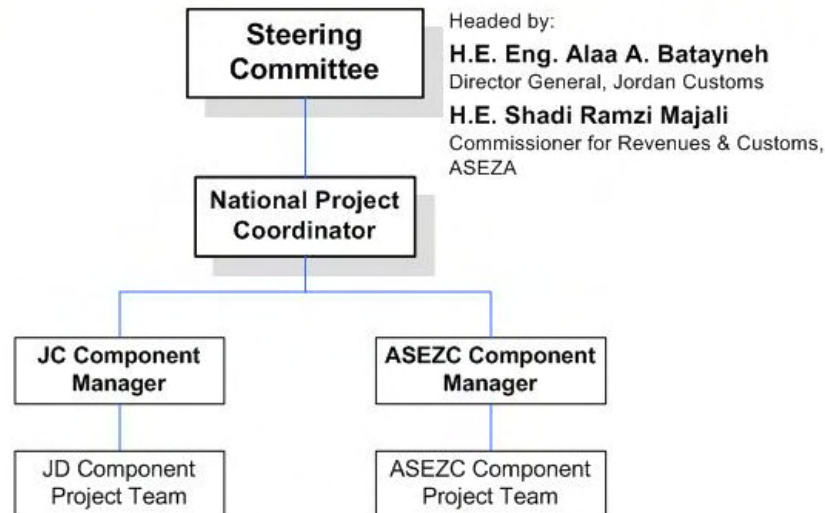
## Project Risks

- Policy and legislative issues and differences between ASEZC and JC
- Not clearly defined roles, authorities and responsibilities of JC, ASEZC, and UNCTAD
- Insufficient JC and ASEZC resources and turnover of critical project staff
- Current Jordan communication infrastructure insufficient to support Internet-based clearance
- Stakeholders impacted by new system unprepared when new system is deployed
- Selected system does not meet requirements developed during business process review





## ASYCUDAWorld Project Governance



## Project Success Criteria

- Kyoto-compliant business processes
- ASYCUDAWorld successfully deployed at both ASEZC and JC
- Customs clients capable of using system
- Clearly identified common business areas of JC and ASEZC have been addressed
- Risk management and compliance management processes in place at national level
- Frameworks implemented to further coordinate activities between ASEZC and JC
- More efficient and accurate revenue collection, accounting, and trade statistics







## Next Steps - Action Plan

- Sign project charter
- Secure project funding
- Identify the National Project Coordinator
- Identify project team members
- Java training for the technical staff
- Project management training
- Other tasks, timelines, and responsible people



**Annex 4: Project Charter**

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**Jordan ASYCUDA World  
implementation  
Project charter**

**Version: 0.2**  
**Date: 05 March, 2006**  
**Status: Draft**



## **Document Authorisation**

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Date: \_\_\_\_\_

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Date: \_\_\_\_\_

### **Document Revision History**

| <b>Version</b> | <b>Date</b> | <b>Author</b>      | <b>Review By</b> | <b>Release<br/>Endorsed By</b> | <b>Comments or list of<br/>changes</b>  |
|----------------|-------------|--------------------|------------------|--------------------------------|---|
| 0.1            | 23 Feb 06   | Lubomir<br>Dvorsky | Walt Hekala      |                                | Initial Draft   |
| 0.2            | 5 Mar 06    | Lubomir<br>Dvorsky | Walt Hekala      |                                | Changes in scope,<br>dependencies and roles and<br>responsibilities<br>incorporated |
|                |             |                    |                  |                                |   |
|                |             |                    |                  |                                |   |

## Project Overview

### *Project Purpose*

The Jordan Customs (JC) and the Aqaba Special Economic Zone Customs (ASEZC) have decided to replace the current ASYCUDA++ system with ASYCUDAWorld because of ASYCUDA++ technical deficiencies, such as difficulties to enhance the existing system, no access to the ASYCUDA++ source code, ASYCUDA++ insufficient ability to communicate with other systems, and the fact that ASYCUDA++ is not a web-based system.

This project provides an opportunity to harmonize customs activities across Jordan and simplify and standardise interactions between clients and customs organizations in Jordan. The ASYCUDAWorld project also provides an opportunity to address WCO supply chain security guidelines as well as improve coordination and data exchange with customs stakeholders.

### *Project Scope*

#### **Establish ASEZC and JC coordination framework**

| <b>In Scope</b>   | <b>Out of Scope</b>  |
|---|--|
| <ul style="list-style-type: none"> <li>Identifies software and system lifecycle process to be followed by both JC and ASEZ customs organizations to ensure interoperability of both organizations at the process, application and data level.</li> <li>Define coordination framework for ASEZ customs and JC teams to coordinate ASYCUDA World change management, configuration management and maintenance activities;</li> </ul> | <ul style="list-style-type: none"> <li>Processes and activities not specified as “in scope”</li> </ul> |

#### **Business process scope**

| <b>In Scope</b>   | <b>Out of Scope</b>  |
|---|--|
| <ul style="list-style-type: none"> <li>The business process phase will analyze commonalities between ASEZ Customs and JC with the following priorities:             <ul style="list-style-type: none"> <li>Risk management at both the strategic and operational level</li> <li>Compliance management</li> <li>Other cross-organizational (JC-ASEZC) processes that could simplify clients’ interactions with JC and ASEZC</li> </ul> </li> <li>Business processes included in the standard ASYCUDAWorld application</li> <li>Selected stakeholder interfaces such as other Jordan government agencies, clients and international coordination that have been identified and prioritized in the planning phase of the project.</li> </ul> | <ul style="list-style-type: none"> <li>Other business processes not described as In Scope</li> </ul> |

## Organization scope

| In Scope   | Out of Scope   |
|--|--|
| <ul style="list-style-type: none"> <li>• Plan and implement communication programs;</li> <li>• Design and implementation of new organization structures required by the process changes;</li> <li>• Develop and implement changes in employee position descriptions as mandated to support system functionality as required.</li> <li>• Develop and deliver training programs for both customs users and external stakeholders;</li> </ul> | <ul style="list-style-type: none"> <li>• Design and implementation of new organizational structures are outside the scope of the ASYCUDA World project unless mandated by system functionality.</li> </ul> |

## Location scope

| In Scope   | Out of Scope   |
|--|--|
| <ul style="list-style-type: none"> <li>• The project will cover all JC and ASEZC currently existing locations;</li> <li>• Requirements identified for modification or upgrade facilities in the existing locations.</li> <li>• Location/facilities upgrades related to data security.</li> <li>• Location/facilities upgrades related to hardware/servers security.</li> </ul> | <ul style="list-style-type: none"> <li>• The project is not expected to create new locations;</li> </ul> |

## Application scope

| In Scope  | Out of Scope  |
|---|---|
| <ul style="list-style-type: none"> <li>• ASYCUDAWorld application</li> <li>• Legacy systems assessment and prioritization of their redevelopment and integration with the ASYCUDAWorld; the following legacy and developing systems are covered by the project: <ul style="list-style-type: none"> <li>○ ASYCUDA++ 1.15</li> <li>○ Finance systems</li> <li>○ Customs Integrated Tariff</li> <li>○ Trade Network system</li> </ul> </li> <li>• Based on the outcome of the project initial phase, all identified interfaces between ASEZ Customs and JC ASYCUDAWorld applications</li> <li>• Quality review of all business rules currently used in ASYCUDA++ 1.15</li> <li>• Correction of any incorrect business rules found during the quality review of ASYCUDA++ 1.15</li> </ul> | <ul style="list-style-type: none"> <li>• All other application not included as “in scope”</li> <li>• Any changes to legacy systems not specified as “in scope”</li> </ul> |

### Data scope

| In Scope  | Out of Scope   |
|---|--|
| <ul style="list-style-type: none"> <li>• Update of the ASYCUDA++ 1.15 backend to 1.18</li> <li>• Development of a data migration approach and data migration strategies for nominated legacy data</li> <li>• Definition of data standards, processes, procedures and ownership to be adopted by ASEZ Customs and JC</li> <li>• Data migration of the existing data identified any legacy systems</li> </ul> | <ul style="list-style-type: none"> <li>• Data not used in the support of ASYCUDA++</li> <li>• Data cleansing</li> <li>• Data quality review</li> </ul> |

### Infrastructure scope

| In Scope   | Out of Scope  |
|--|---|
| <ul style="list-style-type: none"> <li>• Acquisition of hardware, software and communication infrastructure necessary to host the ASYCUDAWorld application - infrastructure definition will be produced in the initial phase of the project</li> </ul> | <ul style="list-style-type: none"> <li>• Redesign of complete JC and ASEZC PC, network or web infrastructure</li> </ul> |

## Project Objectives

### Business

- Provide internet facilities for reporting, interaction and data exchange between customs and its clients and other stakeholders;
- Review the current customs business processes to simplify and standardize clients reporting and interactions with ASEZC and JC;
- Identify and harmonize common activities between ASEZC and JC and implement agreed solutions at the ASYCUDAWorld national level;
- Improve coordination and data exchange with other government departments;

### Technical

- Use latest technological tools for automating Customs processing and upgrade the current ASYCUDA++ clearance application to the internet based ASYCUDAWorld system;
- Define and implement common data standards to be followed by both ASEZC and JC;
- Define and implement common data and data exchange standards for communication with other Jordan government departments and organizations external to Jordan, as required under the WCO Framework of Standards;
- Define and implement configuration and change management frameworks for the ASYCUDAWorld project as well as for its post implementation period;

## ***Project success criteria***

- ASYCUDAWorld successfully deployed at both ASEZC and JC;
- Clearly identified common business areas of JC and ASEZC that have been addressed in the ASYCUDAWorld project;
- Enhanced and coordinated risk management and compliance management processes;
- Enhanced identification of both high risk and low risk consignments and minimization of the level of intervention of customs in the flow of legitimate trade and people across the border and in-between ASEZC and JC;
- Implemented frameworks, processes and structures to further maintain and coordinate activities between ASEZC and JC at both business and technical levels;
- More accurate information and a better tool set for risk management and post-clearance audit purposes;
- Reduced cargo clearance times for the discharge of customs formalities;
- Enhanced accuracy and timeliness of management information and better tools for analyses;
- Better cooperation and information exchange with other border control agencies, increased transparency and predictability for the business sector;
- More efficient revenue collection and accounting;
- More accurate and timely trade statistics;
- Technological capacity for exchange of information with customs administrations from other countries.

## ***References***

- Memorandum of Understanding signed between JC and ASEZC
- JOR/OT/6AE Implementation of ASYCUDAWORLD in the Hashemite Kingdom of Jordan, February 2006 by UNCTAD

It would be very beneficial if a business case for the ASYCUDAWorld project is developed and documented and used to secure required funds. The business case would provide analysis of all the costs, benefits and risks associated with the proposed ASYCUDAWorld investment, propose and evaluate viable options and justify the final recommendation as well as calculate the anticipated return on investment.

## ***Terminology***

|              |  |
|--------------|--|
| JC           | Jordan Customs   |
| ASEZC        | Aqaba Special Economic Zone Customs  |
| UNCTAD       | United Nations Conference on Trade and Development   |
| ASYCUDA      | Automated <b>S</b> ystem for <b>C</b> ustoms <b>D</b> ata - a computerised customs management system developed by UNCTAD |
| ASYCUDAWorld | Web enabled version of ASYCUDA   |

|       |   |
|-------|---|
| PMI   | Project management institute                        |
| PMBOK | Project Management Body of Knowledge, Third Edition |

## ***Project Approach***

This Jordan ASYCUDAWorld project is a single national project with two subcomponents to be delivered at ASEZC and JC levels.

## ***Project Deliverables and Quality Objectives***

| <b>Deliverable</b>   | <b>Description</b>  | <b>Responsibility</b>                                |
|--|---|--|
| Overall project plan including, component project plans and all other project subsidiary plans | The project lifecycle reporting shall follow the best practice as defined in PMI's PMBOK v3..   | National project manager, component project managers |
| Quality assurance and configuration management plans   | The Quality assurance plan documents that the delivered products satisfy contractual agreements.  | National project manager                             |
| Customs staff technical training   | ASEZC and JC project component teams will be jointly trained in the ASYCUDAWorld underlying technology.   | UNCTAD   |
| Customs staff ASYCUDAWorld training  | ASEZC and JC project component teams will be jointly trained in the existing ASYCUDAWorld functionality.  | UNCTAD   |
| Statement of Work  | The document detailing the definition of work to be performed.  | UNCTAD, JC, ASEZC                                    |
| Documented business processes  | Business processes that are going to be reviewed during the project will be defined and documented according to an agreed template.   | UNCTAD, JC, ASEZC                                    |
| Functional requirements specification  | This document is the basis for system design and development; based on the business process review it defines user requirements to be implemented in the new system.  | UNCTAD, JC, ASEZC                                    |
| Acquisition plan   | This document shows how all human resources, contractor support services, hardware, software and telecommunications items that need to be acquired during the project life cycle.   | UNCTAD, JC, ASEZC                                    |
| ASYCUDAWorld technical documentation   | The following documentation will be provided in both English and Arabic: <ul style="list-style-type: none"> <li>• User manual</li> <li>• System design document</li> <li>• Programming reference manual</li> <li>• System administration manual</li> <li>• Database administration manual</li> <li>• Operations manual</li> <li>• Maintenance manual</li> <li>• System security plan</li> </ul> | UNCTAD   |
| Implementation plan  | The implementation plan describes the strategy and plan how ASYCUDAWorld would be deployed in production.   | JC, ASEZC, UNCTAD                                    |

|                                 |  |                   |
|---------------------------------|--|-------------------|
| Contingency plan                | The contingency plan documents <ul style="list-style-type: none"> <li>• emergency response procedures</li> <li>• backup arrangements, procedures and responsibilities</li> <li>• post-disaster recovery procedures and responsibilities</li> </ul> | JC, ASEZC, UNCTAD |
| Training plan and User Training | UNCTAD to provide train the trainer training while JC and ASEZC will develop all training materials themselves and conduct the training.   | JC, ASEZC, UNCTAD |
| Test plan                       | The test plan ensures that all aspects of the system are adequately tested and can be implemented; documents the scope, content, methodology, sequence, management of, and responsibilities for test activities.                                   | JC, ASEZC         |
| User acceptance testing         | All ASYCUDAWorld components will be tested by the nominated customs staff. Ideally, other stakeholders and customs clients will participate in the testing.  | JC, ASEZC         |
| Final acceptance sign-off       | Final acceptance will be signed off after all bugs and defects uncovered during the user acceptance testing period have been corrected.  | JC, ASEZC         |
| Post implementation review      | The post implementation review is undertaken after the project has been completed evaluate project performance against time, budget and quality criteria and to determine how well the project has achieved its goals and objectives.              | JC, ASEZC, UNCTAD |

### Key milestones:

|                 |  |
|-----------------|--|
| After 1 month   | The unified approach for implementing the system in both areas is defined and documented. The global system design is described and all legacy systems to interface are identified.  |
| After 4 months  | All initial training sessions have been completed. The ownership transfer process has been achieved and the national teams can perform all required activities. The migration procedures are documented and tested. ASYCUDA++ version 1.18 is running in each HQ. ASYCUDAWorld training servers are installed and available for the national teams. All necessary equipment is ready for starting development of ASYCUDAWorld prototype. |
| After 6 months  | The ASYCUDAWorld prototype with most of the functionalities is available in Arabic language and can be demonstrated  |
| After 8 months  | The required interfaces with legacy systems are developed and tested. Additional training sessions have been delivered and national documentation is ready along with national training plan.  |
| After 12 months | The Customs Information System based on ASYCUDAWorld is operational  |
| After 18 months | All agreed additional features or functionalities are developed, documented and implemented.   |

### **Acceptance of deliverables**

All of the completed deliverables identified in this document will be formally submitted for final review and approval. This section outlines the key components to this acceptance process. A more detailed acceptance procedure and specific acceptance criteria will be mutually agreed to by JC, ASECZ and UNCTAD at the start of the project. The key components are:

- Since this project has multiple sponsors, all sponsors will be requested to signoff on deliverables;
- Each deliverable will have clearly documented, objective acceptance criteria;
- Deliverables will be deemed accepted if no response is received within 5 business days;

### **Project Completion Criteria**

The project will be completed when all of the deliverables identified in Section 2.1 have been accepted.

### ***Project Stakeholders***

#### **Jordan government**

- Provides funding and other resources to successfully complete ASYCUDAWorld project and develops policies, legislation and regulations for trade development, border security and public protection in Jordan; Jordan government will be instrumental in ensuring timely resolution of legislative issues that might be raised during the ASYCUDAWorld project;
- Government is interested in improving overall compliance and risk management, improved cooperation of agencies with border security mandate, better trade statistics and more accurate revenue collection;

#### **ASEZA**

- Provides funding and other resources to successfully complete ASYCUDAWorld project – ASEZA develops policies, legislation and regulations for trade development in ASEZ;
- ASEZA is interested in better trade facilitation and trade statistics;

#### **Donors**

- Provide funds and other resources to successfully complete the ASYCUDAWorld project;
- Donors are interested in improving consistency of customs operations across Jordan, improving of customs compliance and risk management and harmonization of procedures at Jordan customs and ASEZ customs;



### **Jordan Business/Industry**

- Individuals traders – importers and exporters; as well as Jordan business associations, such as Jordan Businessmen's Association, Jordan Exporters Association, Commerce Chambers Federation, Auto Parts Traders Association, Amman Chamber of Industry, Irbid Chamber of Industry, Zarqa Chamber of Industry;
- Traders and the business associations require from the project simpler and consistent customs procedures, better facilities for transaction/shipment reporting and declaration processing and payments, better access to information related to the compliance and regulatory requirements;

### **Customs brokers**

- Brokers (and their association - Clearing Agents Syndicate) provide traders with advice in customs related matters and communicate with customs on their behalf; Since brokers represent most of the traders and communicate directly with customs they are a critical element in the ASYCUDAWorld project;
- Brokers require from the project simpler and consistent customs procedures, better facilities for transaction/shipment reporting and declaration processing and payments and better access to information related to the compliance and regulatory requirements;

### **Other government departments**

- Other government departments with border security mandate and departments that communicate with customs and develop and implement trade related regulations, such as Ministry of Industry and Trade, Ministry of Agriculture, Ministry of Health, General Intelligence Department, Public Security Department;
- Other government departments expect a better collaboration and information and data exchange with customs;

### **External compliance organizations**

- Develop best practices to treaty obligations, international standards and guidelines – World Customs Organization, World Trade Organization, United Nations, World Bank, International Monetary Fund;
- External compliance organizations are interested in implementation of agreements Jordan is a signatory to and better information exchange with Jordan;

### **Jordan trade partners**

- Enter into agreements with Jordan, define trade frameworks and exchange information and data on trade and security related issues – US, European Union, Arab League;
- Jordan trade partners expect a single Jordan source of data and information and improved collaboration, communication and data and information exchange;

### **Transport providers and cargo reporters**

- Communicate with customs and provide services to traders such as transport of cargo across Jordan borders, storage of cargo and report to customs details and movement of cargo – shipping agents, carriers, airlines, ship operators, truck logistics operators, express couriers
- Transport providers and reporters are interested in better facilities for cargo reporting and simpler and consistent customs procedures and regulatory requirements;

### ***Organization and Responsibilities***

#### **ASYCUDA World Project Steering Committee**

This group, chaired by H.E. Director General and H.E. Commissioner for Revenues & Customs, is ultimately responsible for the direction and resources of the ASYCUDA World project and its subcomponents. The committee approves the project strategy and is the final arbiter of issues concerning business and project direction, scope, priorities, and resources.

On behalf of the ASYCUDA World project, the committee:

- Authorizes the ASYCUDA World project;
- Defines the project direction, scope, and priorities;
- Provides budget and resources for the tasks identified in the ASYCUDA World project and its two subcomponents;
- Maintains communications with the Jordan Government, ASEZA and Ministries;
- Approves and appoints the ASYCUDA World national project manager;
- Approves the milestones of the ASYCUDA World project and its subprojects and the high-level project plans associated with them;
- Acts as the final arbiter of disputes escalated to the committee;
- Authorizes changes to project direction and is the final approval body for all changes (in the event agreement cannot otherwise be reached);
- Agree and approve the framework for continuous coordination and collaboration between the JC and ASEZ Customs;

#### **National Project Manager**

The national project manager (Insert the name of the national project manager here) coordinates and integrates the sub projects. The national project manager works closely with the individual component project managers to steer the overall project and its subcomponents toward achieving the intended business results.

The national project manager manages and controls the project and ensures that project objectives remain consistent with the overall business strategy and are achieved on schedule, budget and quality.

The national project manager, reporting to the project steering committee, has the responsibility to:

- Obtain agreement on his or her authority, responsibility, and accountability with the ASYCUDA World Project Steering Committee;
- Define project objectives and deliverables in line with the business vision and direction set by the project steering committee and ensure that there is a resource and accountability for every deliverable;
- Work with the project steering committee to set up the project governance structures;
- Establish and control the project management plan and provide progress reports to the project steering committee;
- Ensure that subprojects and their deliverables are compatible and that all inter-project issues and conflicts are dealt with and resolved promptly, if necessary escalate issues and recommended solutions to the project steering committee;
- Maintain all project related plans;
- Meet national project milestones;

### **Component Project Managers**

The component project managers attend to the delivery of the agreed-upon products or services, to the agreed budget, schedule, and quality criteria, keeping tight control of the scope of work. He or she deploys project resources as required and makes decisions relating to the project. Component project managers, reporting to the national project manager, have the following responsibilities :

- Manage subproject scope;
- Create a project subcomponent work breakdown structure linked to the national project work breakdown structure;
- Produce project component deliverables to the agreed schedule, budget and quality;
- Assign resources to the project tasks
- Control and manage project and resources
- Reports progress, issues, risks, and definitions to the national project manager;

### **Component project teams**

The project team is the business and IT people who, at any time in the life of the project, report either directly or indirectly to the component project manager. There will be two component project teams, one based at the JC and another one based at the ASEZ Customs. The teams will comprise both business and IT people and will be responsible for:

- Amendment and documentation of customs procedures, including the maintenance of Jordanian reference data (tariff, codifications, taxation rules etc);
- Organization and delivery of training, e.g. technical, customs, ASYCUDAWorld etc;
- Delivery, installation, configuration, testing and maintenance of hardware and software, both IT and ASYCUDAWorld;

- Delivery, installation, configuration, testing and maintenance of telecommunications hardware and software;
- Design, development/integration of new software components;

## ***Dependencies***

### **Constraints**

#### **Organizational**

- The most critical dependency within the scope of this project is a commitment by the JC and ASEZC executive to successfully coordinate and harmonize the ASEZC and JC project components.
- The scope of the project will be limited by the funds and resources available;
- Timelines imposed on the project by the executive;
- Existing IT and communication infrastructure available at JC and ASZEC;

#### **Environmental**

- Existing Jordan communication infrastructure and its quality to support internet based customs clearance application;
- Existing quality of the stakeholders communicating directly with customs and their existing IT infrastructure and capabilities;
- The speed of resolution for the legislative issues that might be raised during the ASYCUDAWorld project is limited by the timelines of the Jordan legislative bodies;
- If there are any processes identified for a closer coordination with other government departments (or any other entities), there will be dependency on the government departments to provide required resources in a timely manner;

#### **External**

- Existing Jordan legislation;
- ASYCUDAWorld project needs to follow requirements, standards and guidelines developed by WCO, WTO, IMF and other international agencies Jordan is a member of
- International agreements Jordan is a signatory to;
- UNCTAD and the quality and availability of its resources;
- Technical capability of the ASYCUDAWorld application;

## **Assumptions**

#### **Organizational**

- There will be enough funds and resources to ensure a satisfactory and functional web based ASYCUDAWorld system;
- All identified personnel at the required quality level will be available throughout the project duration;

- Maximum use will be made of existing IT hardware, software and communication infrastructure;

### **Environmental**

- Both ASEZ customs and Jordan customs will work towards harmonization of their activities where identified as beneficial for Jordan;
- All legislative, policy and process issues raised during the project will be resolved in a timely manner;
- All stakeholders communicating directly will be ready to use the web based ASYCUDAWorld system when it is deployed;

### **External**

- UNCTAD expertise and resource availability, both technical and business, will ensure delivery of the ASYCUDAWorld project on time, budget and quality;

## ***Plans for Support Activities***

### Training

Internal training sessions related to both ASYCUDAWorld underlying technology as well as ASYCUDAWorld already developed features will be provided by UNCTAD to both project teams.

ASYCUDAWorld training for the end users will be provided through a combination of classroom and self-study training modules. It is anticipated that the Customs training departments will be engaged to prepare the training modules and conduct the training sessions.

Project management training will be provided to both project teams prior to starting the project.

### Quality Assurance

The quality assurance plan will be developed by the national and component project managers. The project teams and tester will ensure that the delivered products satisfy contractual agreements and meet or exceed agreed quality standards.

### Configuration Management

There will be two installations of the ASYCUDAWorld, one at ASEZC and another one at JC. Any modifications will follow configuration management standards and processes identified and documented by the national project manager at the beginning of the project.

### Documentation

ASYCUDAWorld system documentation will be provided by UNCTAD. The documentation will be provided in both English and Arabic:

- User Manual
- Programmer's Reference Manual
- System Administration Manual

- Database Administration Manual
- Operations Manual

### ***Project Facilities and Resources***

There will be facilities provided for JC and ASEZC project teams as well as the UNCTAD staff and cost shared by both JC and ASEZC.

There will also be infrastructure required for the ASYCUDAWorld development environment, testing environment and the production environment.

### ***Project Risks***

The key risks identified for this project and the mitigation responses are identified below.

- Policy and legislative issues and differences between ASEZC and JC might slow down project progress and causing the expected harmonization of JC and ASEZC activities and systems to be less than what was expected at the beginning of the project;
- Not clearly defined roles and responsibilities of JC, ASEZC and UNCTAD might impact the project cost, timelines and quality;
- Insufficient JC and ASEZC resources as well as turnover of the project critical staff might impact the project cost, timelines and quality;
- Current uncertainty over the overall hardware, software and infrastructure costs might impact the quality of the final product if the required investments are cost prohibitive;
- Current Jordan communication infrastructure insufficient to support internet based clearance;
- The stakeholders impacted on by the new business and operational models are unprepared when the new system is deployed - the information provided by the reporting stakeholders might be inaccurate and the new system might negatively impact on the clearance processing time and goods movement;
- Other government departments do not provide resources to for cross organizational processes – this would limit the process redesign to the Customs environment only;
- Selected system doesn't meet requirements developed during the business process review and business requirements development;

### ***Project methodology***

Because of the complexities of the ASYCUDAWorld project, the best practices of professional project management must be followed to minimize the project risk. The ASYCUDA World project will follow the practices and project life cycle processes as defined in the Project Management Institute “A guide to the Project Management Body of Knowledge” Third Edition (ANSI/PMI 99-1-2004).

## ***Stages***

The project will last for 18 months and will be implemented in five phases. The initial phase (Phase 0) will be run with representatives of both areas. Phases 1 to 4 will be run in parallel in two subprojects in the areas under responsibility of Amman and Aqaba Customs headquarters.

- Phase 0 – Identification of shared standards and tasks and description of the targeted Customs Information System in terms of modules and interfaces with legacy systems.
- Phase 1 – ASYCUDAWorld ownership transfer: training, source code delivery, database migration, etc...
- Phase 2 – ASYCUDAWorld prototype building, with the automation and integration of Customs Administrations Business processes and, with the integration of interfaces with Trade systems and other systems as appropriate.
- Phase 3 – ASYCUDAWorld rollout: end-users training, operational tests, etc...
- Phase 4 – Further developments for strengthening the overall automation process (connection with other Customs Administrations from the region, etc...).

## ***Project Control***

The national project manager will develop the national level project plan and the subsidiary plans and the component project managers, in coordination with the national project managers, will develop the two component project plans.

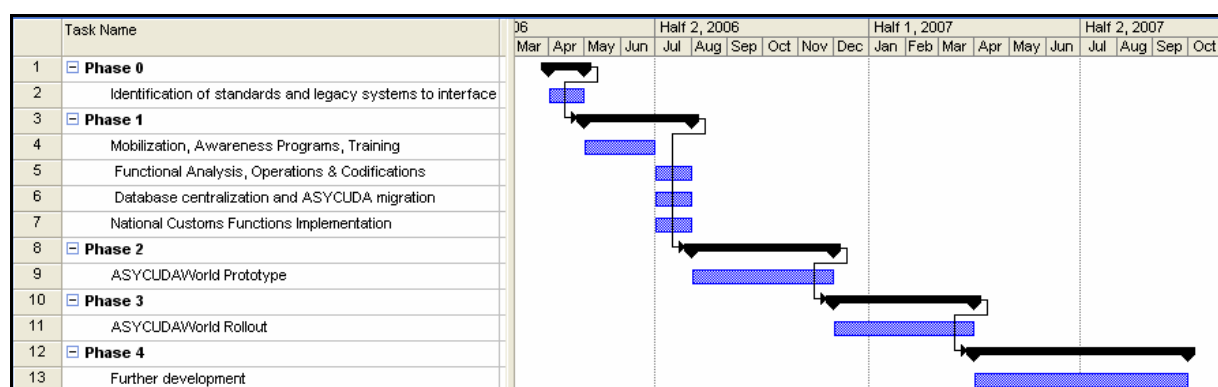
The national project manager will also develop a communication plan identifying the reporting requirements and frequency, meetings and their frequency, communication channels.

There will also be change management and issue management processes defined in order to ensure coordination of the two component projects at the national level.

The national project manager will also track actual progress against budget.

## ***Project Schedule***

UNCTAD has provided the following timeline. This project schedule is currently incomplete and does not include a project planning phase that must be completed first follow the PMI planning methodologies.



## Project Effort Estimate

UNCTAD effort estimate has been provided in the document “JOR/OT/6AE Implementation of ASYCUDAWorld in the Hashemite Kingdom of Jordan, February 2006” and is based on the assumption of having 18 months implementation of the ASYCUDA World.

It is estimated that the effort required (as well as the component projects durations) to build customized versions of ASYCUDA World at ASEZC and JC might vary because of organizational and geographic coverage differences.

Current ASYCUDA World project scope definition uncertainty and consequent inability to define project effort estimates should be seen as a high risk in securing funds and justification of the ASYCUDA World project investments that needs to be addressed immediately.

## Project Cost Estimate

UNCTAD cost proposal has been provided in the document “JOR/OT/6AE Implementation of ASYCUDAWorld in the Hashemite Kingdom of Jordan, February 2006” and is based on the assumption of having 18 months implementation of the ASYCUDA World. The cost of the project has been quoted as USD 1,806,870.

Based on the mentioned UNCTAD proposal the cost of hardware, software and communication infrastructure required to deliver the web based ASYCUDA World project will be known after the initial project phase.

Other additional cost will include cost of the national project manager which is estimated at about USD 60,000 per annum.

Other expenses that are linked to the project staff training and project teams facilities will be based on the number of customs employees assigned to the project.

Current ASYCUDA World project scope definition uncertainty and consequent inability to define project cost estimates should be seen as a high risk in securing funds and justification of the ASYCUDA World project investments that needs to be addressed immediately.



**Annex 5: ASYCUDAWorld Business Case**

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**Modernization of Customs Operations  
Through Implementation of AsycudaWorld  
System  
Business Case**

**Version: 0.1  
Date: 3 April 2006  
Status: Draft**

## Document Authorisation

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|         |          |              |   |                             |

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## **Abbreviations and Acronyms**

---

|           |  |
|-----------|--|
| ASEZA     | Aqaba Special Economic Zone Authority              |
| ASEZC     | Aqaba Special Economic Zone's Customs              |
| ASYCUDA++ | Automated SYstem for CUsoms Data                   |
| COTS      | Commercial off-the-shelf                           |
| GOJ       | Government of Jordan                               |
| HS        | Harmonized System                                  |
| IMF       | International Monetary Fund                        |
| IT        | Information Technology                             |
| JC        | Jordan Customs                                     |
| PM        | Project Management                                 |
| PMP       | Project Management Plan                            |
| UNCTAD    | United Nations Conference on Trade and Development |
| WCO       | World Customs Organization                         |
| WTO       | World Trade Organization                           |

## Executive Summary

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### Current situation

Jordan Customs (JC) and the Aqaba Special Economic Authority (ASEZA) have been using the ASYCUDA++ customs clearance application since 1999. Both JC and ASEZC have developed many other IT applications supporting their business activities and thus increased their dependency on IT to conduct the business of customs.

Because of the rapid expansion in Internet usage by the international trade and recent international developments endorsed by the members of the World Customs Organization (WCO), such as Revised Kyoto Convention and the WCO Framework of Standards, Customs is under increased pressure to provide services online and collaborate and exchange data with the private sector, other government departments, and other customs administrations.

The need to implement WCO guidelines and standards related to the supply chain security and border management and a necessity to integrate the existing customs IT applications exacerbated ASYCUDA++ deficiencies and its inherent inability to communicate with other IT systems. These reasons as well as other technical deficiencies have led JC and ASEZC to considering replacement of the current ASYCUDA++ system.

### Available options

There are a few available options:

1. Retain the current process and IT systems
2. Develop the system in-house
3. Outsource the system development
4. Purchase an existing application
5. Upgrade the existing system

### Recommended option

JC and ASEZC reviewed different options of replacing ASYCUDA++ and at the end of the evaluation period recommended ASYCUDAWorld as the most viable and prudent replacement of ASYCUDA++.

The reasons for recommending this option are:

- Both ASEZC and JC have conducted independent product evaluations comparing available product functionality, cost, implementation approach and the vendor strength and experience of a few already available systems and both evaluations have independently recommended ASYCUDAWorld as the best option;
- The ASYCUDAWorld option protects Jordan investments in the existing ASYCUDA++ 1.15 application;

- The transition to the ASYCUDAWorld system from the existing ASYCUDA++ system provides least disturbance to the Customs, other government departments and the private sector;
- Jordan will have full ownership of the ASYCUDAWorld source code; and
- Any future upgrades of the ASYCUDAWorld are provided by UNCTAD without any additional costs.

**Estimated budget of the recommended option**

| <b>Cost Description</b>                       | <b>Year 1</b><br><b>-</b><br><b>\$'000</b> | <b>Year 2</b><br><b>- \$'000</b> | <b>Year 3</b><br><b>- \$'000</b> | <b>Year 4</b><br><b>+</b><br><b>\$'000</b> |
|---|--|----------------------------------|----------------------------------|--|
| Project management cost                       |  |                                  |                                  |  |
| UNCTAD cost                                   | 1,200                                      | 600                              | 0                                | 0  |
| Software cost                                 |  |                                  |                                  |  |
| Hardware cost                                 |  |                                  |                                  |  |
| Communication infrastructure cost             |  |                                  |                                  |  |
| Software development and implementation costs |  |                                  |                                  |  |
| Training costs                                |  |                                  |                                  |  |
| Ongoing cost                                  |  |                                  |                                  |  |
| <b>Total</b>                                  |  |                                  |                                  |  |

## Introduction

---

### ○ **Purpose**

The purpose of this business case is to:

- Define the business needs that have led Jordan Customs (JC) and Aqaba Special Economic Zone Customs (ASEZC) to explore upgrading their core application ASYCUDA++ (Automated SYstem for CUstoms DAta);
- Identify the project goals, costs, benefits, and risks;
- Analyse identified options; and
- Outline funding needs for the work outlined in the business case.

### ○ **Intended Audience**

The intended audience for this document is the Government of Jordan (GOJ), the Aqaba Special Economic Authority (ASEZA) executives and any potential donors who can help secure funds necessary to reform the customs administration and successfully implement the ASYCUDAWorld application in Jordan.

### ○ **Project Background**

JC and ASEZC have been using the ASYCUDA++ customs clearance application since 1999. Since then both organizations have matured and gained experience in reaping the benefits of information technology (IT). Both customs organizations have designed, developed, and implemented many other IT systems to support various business activities.

A few recent international developments endorsed by the members of the World Customs Organization (WCO), such as the WCO Framework of Standards (supply chain security standards and best practices), Revised Kyoto Convention (simplification of customs processes) and Arusha Declaration (customs integrity and transparency) have had a great impact on the way customs organizations should conduct their business. There is a strong emphasis on simplification and standardization of customs processes and procedures as well as an increased urge for data exchange and collaboration among customs-related organizations, customs administrations and other government agencies, and the business community.

Ever greater reliance on IT to conduct the business of customs, the increased need to provide services online, collaboration and data exchange with other government departments, and the pressure to integrate the existing customs IT applications exacerbated ASYCUDA++ deficiencies and its inherent inability to communicate with other IT systems.

JC and ASEZC have decided to replace the current ASYCUDA++ system because of its technical deficiencies and inability to support WCO guidelines and standards related to the supply chain security and border management that require extensive collaboration and data exchange between different organizations. Both JC and ASEZC reviewed different options of replacing ASYCUDA++ and at the end of the evaluation period recommended ASYCUDAWorld as the most viable and prudent replacement of ASYCUDA++.

- **Business Need**

Following are the main factors that have led JC and ASEZC to consider replacement of ASYCUDA++:

- **Review of customs business processes:** The Revised Kyoto Convention, an international convention on simplification and harmonization of customs procedures and the blueprint for modern and efficient customs procedures in the 21st century, entered into force on 3 February 2006. Since Jordan intends to ratify the convention, there is a need to ensure that all customs processes and procedures as well as the supporting legislation are compliant with the convention.
- **Implementation of supply chain security standards:** - the WCO Framework of Standards to Secure and Facilitate Global Trade, a framework providing supply chain security standards and best practices, has been adopted by the 166 members of World Customs Organization on 23 June 2005 – 129 members have already (Jordan among them) expressed their intentions to implement the standards;
- **Harmonization of JC and ASEZC activities:**
  - Common approach by both ASEZC and JC to risk management and compliance management;
  - Simplification and standardization of customs business processes;
  - Improvement of information exchange between ASEZC and JC;
- **Online service delivery:** Commitment of GOJ to online service delivery:
  - Easier access to customs services;
  - Facilities to lodge declaration and reports via Internet;
  - Facilities to conduct financial transactions via Internet;
- **Improvement of collaboration and data exchange among agencies with the border security mandate;**
- **Rapid expansion in internet usage by the international trade:**
  - Acquisition of a web-based customs clearance system built using a proven technology;
  - Proven technology to integrate and modernize current customs IT applications to provide improved service;
- **JC and ASEZC data and system standardization:**
  - Standardization of IT applications at ASEZC and JC;
  - Standardization of data formats at ASEZC and JC;
  - Configuration and change management coordination.



## **Project Aim and Objectives**

---

The aim of the project is to reform current customs business practices in Jordan and to deliver a business solution that provides improved communication facilities for the customs clientele. The business solution will also provide a capacity to improve collaboration among JC, ASEZC, and other government agencies.

### ○ **Business Objectives**

- Review current customs business practices;
- Enhance customs risk management assessment and compliance management at the national level;
- Identify and harmonize common activities between ASEZC and JC and implement agreed solutions;
- Provide Internet facilities for reporting, interaction, and data exchange among customs, its clients, and other stakeholders;
- Simplify and standardize clients' reporting and interactions with ASEZC and JC, and improve consistency of customs business systems and processes across Jordan;
- Improve coordination and data exchange with other government departments;
- Establish a closer integration with the industry – traders, brokers, shipping agents, logistics operators, and others; and
- Enable the JC to exchange data with other customs administrations for enhanced risk management and trade facilitation.

### ○ **Technical Objectives**

- Use a proven technology and technical tools for improvement of automated customs processing and upgrade the current ASYCUDA++ clearance application to an Internet-based system;
- Define and implement common application and data standards to be followed by both ASEZC and JC;
- Define and implement common data and data exchange standards for communication with other Jordan government departments and organizations external to Jordan, as required under the WCO Framework of Standards;
- Define and implement configuration and change management frameworks for the ASYCUDA++ replacement project as well as for its post implementation period;
- Provide varying levels of security protection and controls consistent with the information types being accessed;
- The selected solution will:
  - be compatible with open architecture and component based system design in order to preserve user scalability;
  - have a minimal impact on existing information system infrastructure;

- be cost-effective to set up and implement; and
- be cost-effective in terms of through-life support;
- **Project Success Criteria**
  - Sufficient funding is obtained for the national ASYCUDAWorld project;
  - JC and ASEZC senior managers commit and fully support project implementation;
  - Both ASEZC and JC successfully deploy the selected solution within project scope parameters and on time, budget, and quality;
  - Clearly identified common business areas of JC and ASEZC have been addressed in the project;
  - Customs business process are compliant with the revised Kyoto Convention;
  - Identified stakeholders and organizations are able to interact with the system;
  - Frameworks, processes, and structures to further maintain and coordinate activities between ASEZC and JC at both business and technical levels have been implemented;
  - Best practices in project management have been implemented.

## Scope

---

The scope of the project is to review existing customs business practices and to develop and implement a Jordan national web-enabled customs clearance system with two components and implementation at ASEZC and JC.

### ○ **Project Management and Planning Scope**

The scope of project management and planning is:

- The project will follow the practices and project life cycle processes as defined in the Project Management Institute “A guide to the Project Management Body of Knowledge” Third Edition (ANSI/PMI 99-1-2004);
- The principles of industry best practice in project management (PM) shall be implemented where possible (these are drawn from PM best practices as prescribed by the Project Management Institute);
- The project will be properly scoped as a result of a detailed business needs analysis. This analysis shall be further refined into a series of conceptual designs for consideration and approval of the preferred design by the Project Steering Committee;
- The preferred conceptual design will be further developed into a Statement of Work (SOW) encompassing the Statement of Requirements (SOR);
- As a minimum, the following project plans and documentation are to be developed and maintained throughout the life of the project are:
  - Project Management Plan (PMP);
  - User Requirements;
  - Acquisition Plan;
  - Risk Management Plan;
  - Communications Plan;
  - Change Management Plan;
  - Configuration Management Plan;
  - Project Schedule – based on a Work Breakdown Structure (WBS);
  - Cost Baseline;
  - Issues Register;
  - Implementation and Through Life Support Plan(s);
  - Test Plan and test scenarios;
  - Quality Assurance Plan;
  - Transition Plan;
  - Statement of Work (SOW);
  - Procurement /contract documentation (dependant on the approved acquisition strategy);

- Project status reporting is to occur in accordance with a prescribed and agreed reporting regime as defined in the PMP;
- Post-implementation review.
- **Scope of Project Deliverables**

**Business scope:**

- Review of the existing customs procedures and within the project articulate timelines for full compliance with the revised Kyoto Convention;
- Business process analysis of commonalities between ASEZC and JC with emphasis on risk management and compliance management;
- Addressing and implementing in the application all customs processes and procedures that will be identified during the initial project phase;
- Review of business interactions among customs clients, other government departments and JC and ASEZC and their subsequent simplification;
- Establishing ASEZC and JC coordination framework to harmonize change management, configuration management and maintenance activities to ensure interoperability of both organizations at the process, application and data level;

**Product scope:**

- Development and deployment of a web-enabled customs clearance system;
- Integration of the selected application with the existing legacy systems (identification and prioritization of the legacy systems that will be integrated with the selected application during the project period will be performed in detail during the project initial phase);
- Development of a data migration approach and data migration strategies for nominated ASYCUDA++ and other legacy data (the extent of data migration will depend on the option and solution selected);
- Acquisition of hardware, software and communication infrastructure necessary to host the selected solution - infrastructure requirements will be produced during the initial phase of the project;

**Location scope:**

- The project will cover all JC and ASEZC currently existing locations;
- Based on the analysis conducted during the initial project phase, the project might include some modifications or upgrades to the existing locations that would improve the physical data and hardware/software security (for example a disaster recovery center);

**Through-life support:**

- Upgrades, license fees and the agreed level of technical support necessary for continuous operation of the solution at both JC and ASEZC for the first production year;

**Scope exclusions:**

- Design and implementation of new organizational structures are outside the scope of the project unless mandated by the solutions functionality;
- The project is not expected to create new locations;
- Hardware, software, or communication infrastructure components beyond that related to direct roll-out of the agreed business solution.

○ **Stakeholders**

| Stakeholder              | Possible impact of this stakeholder on this project  | Possible impact of this project on this stakeholder  | Possible engagement of this stakeholder  |
|--------------------------|--|--|--|
| GOJ                      | <ul style="list-style-type: none"> <li>Provides funding and other resources necessary to successfully complete the project; and</li> <li>Develops policies, legislation, and regulations for trade development, border security, and public protection in Jordan.</li> </ul> | <ul style="list-style-type: none"> <li>Improved overall compliance and risk management and cooperation of agencies with border security mandate, better trade statistics, and more accurate revenue collection.</li> </ul>                                       | <ul style="list-style-type: none"> <li>Instrumental in ensuring timely resolution of legislative issues that might be raised during the project.</li> </ul>  |
| ASEZA                    | <ul style="list-style-type: none"> <li>Provides funding and other resources necessary to successfully complete the project;</li> <li>Develops policies, legislation, and regulations for trade development in ASEZ.</li> </ul>   | <ul style="list-style-type: none"> <li>Improved overall compliance and risk management and cooperation of agencies with border security mandate, and better trade statistics.</li> </ul>   | <ul style="list-style-type: none"> <li>Instrumental in ensuring timely resolution of legislative issues that might be raised during the project.</li> </ul>  |
| Donors                   | <ul style="list-style-type: none"> <li>Provide funds and other resources necessary for successful completion of the ASYCUDAWorld project.</li> </ul>   | <ul style="list-style-type: none"> <li>Improved consistency of customs operations across Jordan, improved customs compliance, risk management, and harmonization of procedures at JC and ASEZC.</li> </ul>   | <ul style="list-style-type: none"> <li>Regular briefings and business case reviews.</li> </ul>   |
| Jordan business/industry | <ul style="list-style-type: none"> <li>End user of the new system – high dependency on their readiness to use the new IT system and new customs business procedures when the new system is deployed;</li> </ul>  | <ul style="list-style-type: none"> <li>Investment in IT equipment and human resources;</li> <li>More and better facilities to communicate with Customs;</li> <li>Simplified and consistent processes across Jordan when dealing with Customs, thereby</li> </ul> | <ul style="list-style-type: none"> <li>Participate in awareness sessions about the new business processes and features of the system ;</li> <li>Provide feedback on conceptual business solution, system features and articulate their business requirements.</li> </ul> |

| Stakeholder   | Possible impact of this stakeholder on this project   | Possible impact of this project on this stakeholder  | Possible engagement of this stakeholder   |
|---|---|--|---|
|   |   | increasing international trade.  |   |
| Customs brokers   | <ul style="list-style-type: none"> <li>End user of the new system – high dependency on their readiness to use the new IT system and new customs business procedures when the new system is deployed;</li> </ul> | <ul style="list-style-type: none"> <li>Investment in IT equipment and human resources;</li> <li>More and better facilities to communicate with Customs;</li> <li>Simplified and consistent processes across Jordan when dealing with Customs, thereby increasing international trade.</li> </ul> | <ul style="list-style-type: none"> <li>Participate in awareness sessions about the new business processes and features of the system;</li> <li>Provide feedback on conceptual business solution, system features and articulate their business requirements.</li> </ul> |
| Other government departments                                      | <ul style="list-style-type: none"> <li>Likely increased dependency on the government departments to provide required resources in a timely manner.</li> </ul>   | <ul style="list-style-type: none"> <li>Better collaboration and information and data exchange with Customs.</li> </ul>   | <ul style="list-style-type: none"> <li>Provide resources for business analysis, development, and implementation of cross-organizational solutions.</li> </ul>   |
| External compliance organizations (WCO, WTO, UN, World Bank, IMF) | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>  | <ul style="list-style-type: none"> <li>Better reports and statistics provided in Jordan;</li> <li>More accurate implementation of international agreements.</li> </ul>   | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>  |
| Jordan international trade partners                               | <ul style="list-style-type: none"> <li>Possible funding.</li> </ul>   | <ul style="list-style-type: none"> <li>Single source of data and information, improved collaboration of communication, data and information exchange.</li> </ul>   | <ul style="list-style-type: none"> <li>Not applicable.</li> </ul>   |
| Transport providers and cargo reporters                           | <ul style="list-style-type: none"> <li>Not applicable.</li> </ul>   | <ul style="list-style-type: none"> <li>Better facilities for cargo reporting and simpler and consistent customs procedures and regulatory requirements.</li> </ul>   | <ul style="list-style-type: none"> <li>Participate in awareness sessions about new business processes and system features;</li> <li>Provide review of conceptual business solution and articulate business requirements.</li> </ul>                                     |

## **Costs and Benefits**

---

### **○ Benefits**

#### **Benefits to Government of Jordan**

- Kyoto-compliant customs business practices;
- More efficient revenue collection and accounting;
- Harmonization of JC and ASEZC activities;
- Enhanced and coordinated risk management and supply chain security;
- Improved cooperation and information exchange with other border control agencies, increased transparency and predictability for the business sector;
- More accurate and timely trade statistics;

#### **Benefits to JC and ASEZC**

- Enhanced identification of both high risk and low risk consignments and minimization of the level of intervention of Customs in the flow of legitimate trade and people across the border and between ASEZC and JC;
- Enhanced accuracy and timeliness of management information and improved decision making by providing timely, integrated, comprehensive and accurate information;
- Coordinated compliance management processes;
- More accurate information and a better tool set for risk management and post-clearance audit purposes;
- Gaining a command of technology to redevelop and integrate existing customs systems with the Customs core clearance processing system;
- Implemented rigorous configuration and change management to maintain both ASEZC and JC system implementations interoperable; and
- Gaining technical capacity for exchange of information with customs administrations from other countries.

#### **Benefits to Customs Clients**

- Greater user convenience –improved client access to customs services provided online;
- Simplified communication with customs – removal of duplicate and redundant reporting requirements;
- Standardisation of declaration and reporting requirements - reduced need for multiple submission of data for different customs processes;
- Improved reliability and consistency in business processes for clients when dealing with ASEZC and JC; and
- Reduced cargo clearance times for the discharge of customs formalities.



○ **Estimated Costs**

| <b>Cost Description</b>                        | <b>Year 1 -<br/>\$'000</b> | <b>Year 2 -<br/>\$'000</b> | <b>Year 3 -<br/>\$'000</b> | <b>Year 4<br/>+ \$'000</b> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Project management cost</b>                 |                            |                            |                            |                            |
| Project team and set-up costs                  |                            |                            |                            |                            |
| Project team facilities cost                   |                            |                            |                            | 0                          |
| UNCTAD cost                                    | 1,200                      | 600                        | 0                          | 0                          |
| National project manager                       | 60                         | 30                         | 0                          | 0                          |
| <b>IT development and implementation cost</b>  |                            |                            |                            |                            |
| Project team training cost                     |                            |                            |                            |                            |
| ASYCUDAWorld application cost                  | 0                          |                            |                            |                            |
| Third party ASYCUDAWorld components            | 500                        |                            |                            |                            |
| Software cost                                  |                            |                            |                            |                            |
| Hardware cost                                  |                            |                            |                            |                            |
| Communication infrastructure cost              |                            |                            |                            |                            |
| Development, testing and training environments |                            |                            |                            |                            |
| Software development and implementation costs  |                            |                            |                            |                            |
| Communication costs                            |                            |                            |                            |                            |
| Internal and external user training costs      |                            |                            |                            |                            |
| <b>Ongoing cost</b>                            |                            |                            |                            |                            |
| Operational and recurrent Costs                |                            |                            |                            |                            |
| Hardware and software operational costs        |                            |                            |                            |                            |
| On-going maintenance                           |                            |                            |                            |                            |
| Cost of upgrades over life of system           |                            |                            |                            |                            |
| Communication costs                            |                            |                            |                            |                            |

**Total**

## Constraints and Assumptions

---

### ○ Constraints

#### Organizational

- The most critical dependency within the scope of this project is a commitment by the JC and ASEZC executive to successfully coordinate and harmonize the ASEZC and JC project components;
- The scope of the project will be limited by the funds and resources available;
- Timelines imposed on the project by the executive; and
- Existing IT and communication infrastructure available at JC and ASEZC.

#### Environmental

- Existing Jordan communication infrastructure and its quality to support internet based Customs clearance application;
- Existing quality of the stakeholders communicating directly with Customs and their existing IT infrastructure and capabilities;
- The speed of resolution for the legislative issues that might be raised during the ASYCUDAWorld project is limited by the timelines of the Jordan legislative bodies; and
- If there are any processes identified for a closer coordination with other government departments (or any other entities), there will be dependency on the government departments to provide required resources in a timely manner.

#### External

- Existing Jordan legislation;
- ASYCUDAWorld project needs to follow requirements, standards and guidelines developed by WCO, World Trade Organization (WTO), International Monetary Fund (IMF) and other international agencies to which Jordan is signatory;
- UNCTAD and the quality and availability of its resources; and
- Technical capability of the ASYCUDAWorld application;

### ○ Assumptions

#### Organizational

- There will be sufficient funds and resources to ensure a satisfactory and functional web based ASYCUDAWorld system;
- All identified personnel at the required quality level will be available throughout the project duration;
- Maximum use will be made of the existing IT hardware, software and communication infrastructure; and
- The project will follow the practices and project life cycle processes as defined in the Project Management Institute “A guide to the Project Management Body of Knowledge” Third Edition.

**Environmental**

- Both JC and ASEZC will work towards harmonization of their activities where identified as beneficial for Jordan;
- All legislative, policy and process issues raised during the project will be resolved in a timely manner; and
- All stakeholders communicating directly will be trained and ready to use the web-based ASYCUDAWorld system when it is deployed.

**External**

- UNCTAD expertise and resource availability, both technical and business, will ensure delivery of the ASYCUDAWorld project on time, budget and quality;
- Third Party vendors will meet their expected delivery dates; and
- The only change to the Jordan tariff nomenclature during the lifecycle of the project will be the WCO Harmonized System (HS) update required in 2007.

## Options

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The following options have been identified to address the business issue:

- Option 1 – Retain the current processes and IT systems
- Option 2 – Develop the system in-house
- Option 3 – Outsource the development
- Option 4 – Purchase a commercial off-the-shelf (COTS) product
- Option 5 - Upgrade ASYCUDA++ to ASYCUDAWorld

### ○ **Option 1 – Retain the Current Processes and IT systems**

This option involves continuing with customs operations as it is. The option would result in further fragmentation of customs infrastructure since Customs would be unable to integrate existing systems with the core ASYCUDA++ clearance system. It would also result in use of complicated procedures and non-standard ways to exchange data between various customs IT applications.

**The advantages associated with this option are:**

- Minimal cost requirements; and
- No disruption to the current way of doing business;

**The disadvantages associated with this option are:**

- The problems with existing legacy systems will be exacerbated;
- Technical difficulties with establishing collaboration and data exchange with other government departments will continue; and
- Implementation of the WCO Framework of Standards would be difficult because it is also based on a technological ability to exchange data with various stakeholders in the supply chain; there is no direct cost associated with this option.

### ○ **Option 2 – Develop the System in-house**

This option involves engaging both ASEZC and JC in developing own customs clearance applications.

**The advantages associated with this option are:**

- The system can be build to the customs-specific requirements and demands;
- Easier integration with customs legacy systems;
- Development might strengthen the expertise of the IT Directorates that can be used to support sustainability of the system and its future enhancements;
- The gained skill and experience might be used to develop future customs systems;
- Customs will own the source code at the end of the project; and
- There will be more sense of ownership if developed by Customs;

**The disadvantages associated with this option are:**

- Significant overhead to manage development in two organizations;
- A real possibility that the harmonization, collaboration and data exchange between UNCTAD and JC organizations could be further complicated;
- Emphasis is on the in-house system development skills - only skilled and competent IT departments experienced in development of large and complex IT systems, adhering to IT system development standards and methodologies can guarantee successful completion of such projects;
- It might be difficult to provide resources of required skill and quality level;
- There might not be not enough time given to project because other jobs are and daily operations demands are on the plate;
- It might be difficult to keep the key project staff - staff turnover when skilled employees may quit during or after the project; and
- The development will take too long when compared with other options.

Based on the experience from other countries, development of a complex IT system such as the one required for customs clearance is a significant investment in resources, time and effort. It is difficult to estimate the cost for this option because a substantial part of development resources would have to be acquired from the private sector. Based on the experience from other countries and using an optimistic estimate - it would likely take more than three years to design, develop, and implement a world class standard customs clearance system.

○ **Option 3 – Outsource the System development**

This option involves engaging a third party in design, development and implementation of the customs clearance system.

The advantages associated with this option are:

- Customs can use contractual controls to shift risk and accountability to the vendor;
- The vendor might provide necessary skills and methodology for large application development;
- The system can be build to JCD' specific requirements and demands;
- Involving in-house technical staff in the development project process, which enriches job experience; and
- The vendor might be able to speed development by applying more resources than are available to Customs.

The disadvantages associated with this option are:

- Vendor might not understand the business;
- Cost of development might be very high; and
- Long timeframes.

Based on the experience from other countries, development of a complex IT system such as the one required for customs clearance is a significant investment in resources, time and effort. It is difficult to estimate the cost for this option at this time because a detailed business analyses has not been conducted yet. Based on the experience from other countries and using an optimistic estimate - it would likely take more than three years to design, develop, and implement a world class standard customs clearance system.

○ **Option 4 – Purchase an Existing Application**

This option involves evaluation of an existing (COTS) product and selecting the one that covers most of the requirements, is financially suitable, has a guarantee in the product continuity and for which the vendor can demonstrate ability and experience in delivery of similar systems.

**The advantages associated with this option are:**

- Acquisition and implementation will involve less time, cost, and risk than developing a new application;
- Depending on the application customizability and on the effort required to customise the application to fit Customs' requirements, it might decrease the system design and development phases – thus the time for project completion might be shortened;
- There is a lower requirement for in-house technical skills and abilities;
- There is a contractual protections on maintenance, performance and functionality;
- Vendor provides references that have purchased, implemented and used the system – it will have a proven record of success; and
- A possibility exists to test drive an existing implementation of system as part of the feasibility study.

**The disadvantages associated with this option are:**

- Effort for customisation might be too high if there is a functional mismatch (this risk is increased when the detailed business requirements are not well understand at the selection process); and
- System incompatibility with Customs' current systems on site and integration difficulties – the new systems' technology and architecture will impact architecture and technology of future Customs systems.

There are a few applications available in the market that are offered at various prices and payment models. A rough estimate for an application acquisition and implementation, including the application required infrastructure would be between US\$ 10 and 20 million.

○ **Option 5 – Upgrade the Existing System**

There is also a possibility to implement the ASYCUDAWorld system. The implementation would consist of two stages. The first stage would consist of upgrading the currently used existing ASYCUDA++ 1.15 version to the ASYCUDA++ 1.18 and then installing the ASYCUDAWorld which uses the ASYCUDA++ 1.18 back end.

**The advantages associated with this option are:**

- Protects the previous investments;
- Ensures lowest cost for data migration; and
- Allows a smoother transition to the new system for both internal and external users.

**The disadvantages associated with this option are:**

- Effort for customisation might be too high if there is a functional mismatch (this risk is increased since the detailed business requirements have not been well understood at the selection process); and
- There might a system incompatibility with the Customs' current systems on site and integration difficulties – the new systems' technology and architecture will impact architecture and technology of future customs systems.

The approximate cost of this option is \$6,060,000 for the first two years.

○ **Recommended Option**

Both JC and ASEZC recommend option 5 – upgrade the existing system ASYCUDA++ 1.15 to the ASYCUDAWorld.

The reasons for recommending this option are:

- Both ASEZC and JC have conducted independent product evaluations comparing available product functionality, cost, implementation approach and the vendor strength and experience of a few already available systems and both evaluations have independently recommended ASYCUDAWorld as the best option;
- The ASYCUDAWorld option protects Jordan investments in the existing ASYCUDA++ 1.15 application;
- The transition to the ASYCUDAWorld system from the existing ASYCUDA++ system provides least disturbance to the Customs, other government departments and the private sector;
- Jordan will have full ownership of the ASYCUDAWorld source code; and
- Any future upgrades of the ASYCUDAWorld are provided by UNCTAD without any additional costs.

## **Project Risk Assessment**

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The key risks identified for this project and the mitigation responses are identified below.

### **Legislative and policy risk**

- Policy and legislative issues and differences between ASEZC and JC might slow down project progress and causing the expected harmonization of JC and ASEZC activities and systems to be less than what was expected at the beginning of the project.

### **Organization risks**

- Lack of commitment of JC and ASEZC senior management to implement the project;
- Lack of motivation and resistance to implementation of business and process changes;
- Failure of JC and ASEZC to take appropriate action on key administrative/operational recommendations emanating from the project, or to make full use of all available administrative measures already at its disposal to ensure consistent and effective use of advanced programs and technology; and
- Failure of JC and ASEZC to provide the required number of full time trained project personnel.

### **Project Management Risks**

- Not clearly defined roles and responsibilities of JC, ASEZC, and UNCTAD might impact the project cost, timelines and quality;
- Insufficient JC and ASEZC resources as well as turnover of the project critical staff might impact the project cost, timelines and quality;
- Failure of UNCTAD to provide experienced experts in the implementation of ASYCUDA;
- Insufficient quality assurance/project co-ordination by UNCTAD of key components of the project; and
- Failure of coordination with all project actors (other trade related entities, etc).

### **Data Risks**

- Data quality might be very poor and threaten the system continuity; and
- Data ownership, data management, and data structures might be poorly defined.

### **Schedule Risks**

- Required timelines might be too ambitious; and
- ASEZC and JC projects might be progressing at a different pace.

### **Scope Risk**

- Poorly-defined business requirements might cause ‘scope creep’, viz., subtle and unnoticed additions or changes to the project from the agreed requirements; initial clarification of scope, and adherence to the plan throughout the project, are of the highest importance.



### **Budget Risks**

- Budget estimates might be too optimistic;
- Current uncertainty over the overall hardware, software and infrastructure costs might impact the quality of the final product if the required investments are cost prohibitive; and
- Investments into infrastructure necessary to support Internet-based business might be cost-prohibitive. These risks relate to cost estimations, allocated budget, and continuation of funding, for example.

### **Technology Risks**

- Selected system doesn't meet requirements developed during the business process review and business requirements development.

### **Implementation Risks**

- Current Jordan communication infrastructure might be insufficient to support Internet-based clearance;
- Industry might not be ready and resist embracing Web-based technology to communicate with and report to Customs;
- The stakeholders impacted on by the new business and operational models are unprepared when the new system is deployed. The information provided by the reporting stakeholders might be inaccurate and the new system might negatively impact on the clearance processing time and goods movement;
- Other government departments do not provide resources to for cross organizational processes – this would limit the process redesign to the Customs environment only; and
- Initial setup costs for the external stakeholders to ensure their internet communication with Customs might be very high.

### **Key Personnel Risks**

- Because of current personnel policies, key stakeholders in the project design and implementation may be reassigned or leave Customs with replacement by persons unfamiliar with the project intent or lacking critical skills.

### **Through Life Support Risks**

- The cost of ongoing post-implementation support for the selected application, such upgrades, license fees or communication lines leasing fees, to both Customs and the private sector might be underestimated.

## Deliverables

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| Project Phase                 | Deliverables  |
|-------------------------------|---|
| Initial Phase                 | <ul style="list-style-type: none"> <li>• Business Case</li> <li>• Customs staff technical training</li> <li>• Customs staff application functionality training</li> <li>• Customs staff project management training</li> </ul>  |
| Concept and Definition        | <ul style="list-style-type: none"> <li>• Documented business processes</li> <li>• User Requirements               <ul style="list-style-type: none"> <li>• Business Needs Analysis</li> <li>• Conceptual Design</li> </ul> </li> <li>• Overall Project Management Plan including component project plans and all other project subsidiary plans</li> <li>• Acquisition Strategy - software, hardware, communication infrastructure</li> <li>• Develop and validate a Statement of Work</li> </ul> |
| Development and Build         | <ul style="list-style-type: none"> <li>• System Specification</li> <li>• Functional Specifications</li> <li>• Technical Specifications</li> <li>• Test Specification / Plan</li> </ul>  |
| Implementation and Transition | <ul style="list-style-type: none"> <li>• Implementation Plan</li> <li>• Transition Plan</li> <li>• Through Life Support Plan</li> <li>• Project product</li> <li>• Training / Manuals</li> <li>• Contingency plan</li> </ul>  |
| Finalization                  | <ul style="list-style-type: none"> <li>• Final Product</li> <li>• Final Product Support Systems &amp; Material</li> <li>• In-service Support Plan and Funding Arrangements</li> <li>• Post-implementation Review</li> </ul>   |

## Project Schedule

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The Project Manager takes primary responsibility for establishing the start and end dates of projects, including the definition of dates for the delivery of major releases. As changes occur within the project, the Project Manager is responsible for making any required changes to the Program Release Plan, and/or individual project plans that are in some way dependent.

UNCTAD has provided the following timeline. This project schedule is currently incomplete and does not include a project planning phase that must be completed first following the PMI planning methodologies.

### Key milestones:

|                 |  |
|-----------------|--|
| After 1 month   | The unified approach for implementing the system in both areas is defined and documented. The global system design is described and all legacy systems to interface are identified.  |
| After 4 months  | All initial training sessions have been completed. The ownership transfer process has been achieved and the national teams can perform all required activities. The migration procedures are documented and tested. ASYCUDA++ version 1.18 is running in each HQ. ASYCUDAWorld training servers are installed and available for the national teams. All necessary equipment is ready for starting development of ASYCUDAWorld prototype. |
| After 6 months  | The ASYCUDAWorld prototype with most of the functionalities is available in Arabic language and can be demonstrated  |
| After 8 months  | The required interfaces with legacy systems are developed and tested. Additional training sessions have been delivered and national documentation is ready along with national training plan.  |
| After 12 months | The Customs Information System based on ASYCUDAWorld is operational  |
| After 18 months | All agreed additional features or functionalities are developed, documented and implemented.   |

## ASYCUDA World Project in Jordan: Planning Phase

